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ABSTRACT

Competitor information gathering is a key aspect of business planning. Information can be collected from either published or unpublished sources. Unpublished information will often be verified based on material from published sources. Published information is more likely to be factual and includes financial, stockmarket, press, market and industry, product, trademark and patent sources. Much published information is now available online but the specific skills of a dedicated competitor analyst are required to best utilize these information sources. The traditional online hosts such as FT Profile, MAID, Data-Star, and Dialog each host databases that can be used to obtain competitor intelligence. Typical databases include those from Dun & Bradstreet, Reuters Textline, the Derwent World Patent Index, Kompass, Investext, and others. The Internet has recently become an important source for competitor information, containing competitor promotional material as well as items from independent sources. Internet search engines such as Digital's Alta Vista can locate information of interest on both the World Wide Web and Usenet. (Author/SWC)

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Online sources for competitor information

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

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Abstract: *Competitor information gathering is a key aspect of business planning. Information will come either from published or unpublished sources. Unpublished information will often be verified based on material from published sources. Published information is more likely to be factual and includes financial, stockmarket, press, market and industry, product, trademark and patent sources. Much published information is now available online but the specific skills of a dedicated competitor analyst are required best to utilise these information sources. The traditional online hosts such as FT Profile, MAID, Data-Star and Dialog each host databases that can used to obtain competitor intelligence. Typical databases will include those from Dun & Bradstreet, Reuters Textline, the Derwent World Patent Index, Kompass, Investext and others. The Internet has recently become an important source for competitor information, holding competitor promotional material as well as items from independent sources. The Internet search engines such as Digital's Alta Vista can locate information of interest on both the World Wide Web and Usenet.*

Keywords: competitor intelligence, competitor analysis, online databases, World Wide Web, Internet

1. Introduction

Gathering information on competitors is a key aspect of business planning. Companies need information on competitors to compare their products, services and operations. The information gathered can be used to counter competitor actions and to set targets for company objectives.

Competitor information can be obtained from a variety of sources. These can be categorised as:

- unpublished information sources;
- published information sources.

Unpublished information sources tend to be internal to the company — the salesforce, other employees, suppliers, customers — or involve direct contacts with competitors and the industry, for example through exhibitions, market research studies and professional societies. Unpublished information is critical for gaining an understanding of competitors. It is more likely to give clues to an organisation's strategic thinking and tactical planning then published information. However a key problem with much unpublished information is that it can be difficult to assess its accuracy. Unpublished information may be misleading, false, or be based on rumours that will need to be substantiated. Often verification or otherwise will come from clues contained in published information sources.

Published information sources include annual reports and accounts, brokers reports, credit reports, press articles, directories, market research reports, patent information, company brochures, advertisements, press releases, conference papers and more. The number and variety of sources is numerous and growing.

Published information tends to be factual, verifiable data that at its most basic level can provide an understanding of competitor performance. It allows the calculation of market share and other comparisons between companies and their products. However it can also open windows into how competitors think, when an interview with a senior executive is published. Company promotions give a clue as to how the competitor sees itself and its market. Patent research can be crucial for identifying competitor product development plans.

Competitors can usually control what is published, ensuring that sensitive information is kept unpublished. However a skilled analyst can often gather clues to this information by collecting and collating data from a number of sources — looking at both published and unpublished information in tandem.

An added complication is the range of sources that can contain relevant information. To an extent, obtaining this information has become easier with the growth of online sources. However the increased accessibility of information has resulted in raised expectations.

These aspects of competitor intelligence gathering mean that a variety of tools are needed to gain sufficient information for effective business planning. Although the traditional information scientist or librarian will have the search skills for locating data, they will often not be familiar with the totality of available sources that can contain competitor information. Additionally, they will rarely have the strategic awareness needed to select those items

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that can help the firm gain a competitive advantage over the other firms in the industry. At the same time the business planner will not usually have the search skills necessary to uncover the information. A third role — the competitor analyst — is required, combining the aptitudes of both these professionals.

2. Competitor analysis

Competitor analysis is a relatively new management discipline. Although the study of business competition has interested legislators and economists for many years, prescriptive advice helping businesses to succeed against competition is modern. For instance the leading management thinker, Drucker, writing in 1964 on how companies succeed virtually ignored competitive strategy as component of business success (Ref 1). Competitive strategy as a core element of strategic management has only really gained ground following Michael Porter's seminal works on the subject (Ref 2). The Society of Competitive Intelligence Professionals (SCIP) was only founded in 1986 — with 150 founder members. Since then the concept of competitor analysis as a separate business discipline has grown, with SCIP now claiming 3000 members working for companies ranging from AT&T to Zeneca Pharmaceuticals (Ref 3).

The skills required for competitor analysis are often confused with those needed for market research. This is a fallacy. Market research will generally be aimed at answering a specific business question. Competitor research is open ended. All information can potentially be useful. The good competitor analyst will have an innate curiosity, an ability to spot the seemingly inconsequential and the awareness needed to link this with other outwardly unrelated information to gain a complete picture.

The increasing availability and growth of online information sources has been a boon to the competitor analyst by allowing the analyst to monitor and search many more sources than had hitherto been possible. It has also resulted in the growth of a number of specialist management consultancies with the skills for searching a variety of online sources for information on competitors. Such services supplement the in-company competitor analysts, information scientists and strategic planners who may not possess the search skills or knowledge of all the databases available.

3. Online sources for competitor information

The range of online information sources available to the competitor analyst has grown considerably over the last decade. However with a few notable exceptions, the type of information available has remained constant.

Online information sources for competitor information can be categorised as follows:

- financial and credit information (for example company accounts);
- stockmarket information (for example broker reports);
- press information;
- market and industry information (for example market research reports and forecasts);
- product information;
- patent and trademark information;
- other information (for example conference attendees, legal information, contract and tender data, etc.).

3.1. Financial and credit information

Typical financial information will include company accounts and other financial statistics. Such information is readily available through a number of online services. The leading online hosts such as Data-Star, Dialog, MAID and FT Profile all contain financial databases from the leading company information providers.

Ideally, hard-copy annual reports should be obtained when examining corporate accounts. Printed annual reports usually include management profiles, pictures, outlines to strategy and notes to the accounts not held on most online databases. ICC produces a database containing the full text of quoted British companies, available via a number of hosts. This file can be useful for older UK reports but is expensive and excludes pictures and charts. An equivalent database is also available for the USA on Dialog (SEC Online — Annual Reports).

Understanding the financial detail in non-English annual reports can be difficult because of the different accounting standards as well as the language. Online databases such as Dun & Bradstreet's European Financial Records file on Data-Star, Dialog and FT Profile can help the analyst understand the accounts by providing an English translation. Dun & Bradstreet also has databases including basic financial data for companies in areas such as Eastern Europe and the CIS where it can be difficult to obtain any reliable company information. An added advantage offered by online databases such as the Dun & Bradstreet Financial Records file is the availability of financial ratios, which would need to be calculated if only the hard copy report were used.

As well as the online host services it is also possible to subscribe to company information services directly. Companies House offers an online company report ordering service for all UK limited company accounts (Companies House Direct). The leading business information suppliers also offer company financial information online — and in the case of Dun & Bradstreet and Infocheck-Equifax, this includes companies from most major countries worldwide. Proprietary services often offer additional elements not available through the online host

services. For example, Dun & Bradstreet's D&B Access service provides a credit rating for each company as well as payment information. Credit ratings give an indication as to whether the competitor is financially sound while a poor payment score can indicate cash-flow problems.

3.2. Stockmarket information

A key information source for public companies is broker reports. In compiling such reports, market analysts will generally have access to company personnel. It is in the company's interest to be open with the analyst, to encourage a favourable report and buy recommendation. As a result, such reports often contain information that may not be available elsewhere — including strategic information and revenue forecasts. Broker reports are available on MAID, Data-Star, Dialog and FT Profile. For example ICC Stockbroker Research reports are available on Data-Star and FT Profile while Investext Broker Reports are also available on Dialog.

Other stock market information sources can also be useful — Extel's information is available on a number of hosts and provides historical information on share prices and announcements, as well as financial information and extracts from annual reports.

3.3. Press information

Financial and stockmarket information sources provide extensive information on companies. However, perhaps the most important online information source for the competitor analyst is the press and news databases. The competent analyst will scan these sources on a regular basis, searching for any new news on competitor companies. Such information can be very varied and will depend on the type of news being reported — reports on competitor personnel, legal issues, new product launches, market sentiments, financial analyses and reports, and a whole raft of other issues that can help compile a picture of competitors will be published.

Press information may appear the easiest information source to use. However efficient use of press sources can be complex. A considerable amount of press information is repeated or out-of-date. The competitor analyst must be able to identify the types of information that will be useful while remaining cost effective. It can be easy to download every reference on a company but the search aim should be quality not quantity. Context display commands — for example the KWIC command on Data-Star — can help eliminate duplicate or irrelevant information. Appropriate use of keywords and search codes can also narrow the search. However items should not be eliminated based on length — even a single sentence news item can convey useful information. For example, typical press reports about job movers are only a few sentences long. Such items are useful in that they help in compiling a list of key personnel in a competitor, with their background and experience. If the position is new, the job placement may indicate a change in competitor strategy or organisational direction.

Not all press sources will be equally useful. It is worth considering what is included. One of the principle online databases for the competitor analyst will be Reuters Textline, which includes a large number of press sources worldwide ranging from the *Aberdeen Press and Journal* to the *Xinhua News Agency of China*. Textline also includes a number of specialist journals such as *Accountancy Age*, *Campaign*, *Estates Gazette* (useful for company relocation information), *Israel Business Today* and the *Vietnam Investment Review*. Nevertheless, restricting one's search strategy to Reuters Textline can result in the analyst missing a significant number of press reports. For example Responsive Database Services' Business & Industry Database on Data-Star and Dialog includes the UK information industry magazine *Information World Review*, absent from Reuters Textline. Using only Textline for a search on companies active in the online information industry could result in key developments being missed. Part of a search for news items should thus use databases that include industry specific journals. Other examples include the FT Energy Reports for companies active in fields involving energy or the environment, PIRA for the packaging industry and ABI/Inform for a number of the professions — accountancy, banking, insurance, etc.

3.4. Market and industry information

Market and industry reports help provide the context within which companies operate. Such reports often give an overview of the key players within an industry, including market share information. They also often include market forecasts and industry trends.

Market and industry reports will usually draw on similar sources to those used by the competitor analyst. As a result they may appear to duplicate information obtained from other, cheaper sources. However the reports can provide confirmation for this information and, being generally independent of the industry, give an objective viewpoint which may not be available elsewhere.

There are a number of providers of industry and market reports. They tend to concentrate on specific sectors or areas and no single provider covers all industries. For some niche areas, there may even be no good report available.

European market databases include Euromonitor Market Direction and Datamonitor, both concentrating on consumer sectors. Frost & Sullivan reports, ICC Key Note Market Analysis and MSI reports also cover industrial and business-to-business sectors. The latter two sources tend to focus on UK markets and there are also a few other country specific market trend databases (for example Databank's Market Structure and Trends in Italy). These databases are available through a number of online hostsDialog, Data-Star, FT Profile and MAID, for example — although no single host carries all sources.

3.5. Product and trademark information

A number of databases provide brief information on the products supplied by companies. Such databases can be useful in identifying potential competitors in new markets, as well as possible suppliers to competitors (and potential suppliers to one's own company). Databases tend to focus on particular countries or regions — for example the 'Who Supplies What' database on Data-Star of German, Swiss, Austrian and Benelux companies and their products. A key online information source for product information data is the Kompass databases, available via the main online hosts and also directly from Reed Information Services' Reedbase Online service.

3.6. Patent information

Monitoring the filing of trademarks can give clues to new competitor product development. A new trademark from a competitor company — especially if it bears no relationship to an existing product name or is not an attempt to ring-fence corporate names to protect the competitor's interests — will often signify that a product with the trademarked name is about to be launched. Such clues to new product launches are an important aspect of competitor intelligence gathering, and allow strategies to be developed to counter the launch. Searches for new trademarks can be made via the Trademarkscan databases on Dialog and the Imsmarq service, also available from Knight-Ridder through a gateway.

For the technology, chemical and pharmaceutical industries patent monitoring is an essential aspect of competitive analysis. Patent filings give clues to the direction of competitor research and development activity. They give an early warning to the types of products being considered by the competitor which may not be ready for market launch for a period of several years. They can also allow an assessment of the strengths of the competitor's research and development team, by looking at the total numbers of patents filed by individual researchers in the competitor company, including patents they filed prior to joining the competitor.

Of all the areas of competitor analysis, patent information can be the most difficult to assess. Understanding the importance of a patent can require a high technical knowledge of the particular discipline covered. In many cases interpretation of such information is best done by the company's research specialists. However, using appropriate databases the competitor analyst can easily identify patents that could be of interest by printing the title and free search items of all patents filed by the target company. Patent searching can be restricted further by using the various subject and category search indices available with the databases.

The market leading supplier of patent information is Derwent, whose Derwent World Patents Index contains all patents filed since 1963, covering 40 patent issuing authorities. Derwent data includes the Derwent company code, inventor's name and a number of industry search codes. The Derwent World Patents Index database is available on Dialog, STN and Questel/Orbit. The information provided is an abstract of the patent, giving key details and where available an image of the particular invention or development. (Most databases miss out the images held in the original source. Derwent data is unusual as the images are retained. The only traditional host supplier that holds images on a regular basis is MAID, where a number of documents appear in the original source format, using Acrobat software.)

3.7. Other information

In addition to the above sources there are a number of other databases that can sometimes provide meaningful competitor intelligence. These will often be industry or issue specific. For example, the International Business Opportunities Service on Data-Star lists companies seeking joint-ventures and alliances with other organisations, while the Tenders Electronic Daily file gives details of invitations to tender for public supply and public works contracts. The UK Importers file on Data-Star lists all products imported into the UK, together with the names and addresses of the importing company, and Data-Star's ABC Europe: European Export Industry file lists details on exporters. Such files contain information that in conjunction with other competitor information could be important. A knowledge of corporate affiliations is also important — databases such as Who Owns Whom on Data-Star can give this information.

4. The Internet

Over the last two years, a key new information source has arisen as a result of the commercialisation of the Internet. Many companies now publish a considerable volume of promotional material on their World Wide Web home pages. Previously this information would only have been available through brochures which would sometimes be difficult to obtain directly. Further, the information published on corporate home pages is often fresher and more detailed than the corporate brochure which may only be produced annually. Some companies now publish their full annual reports on the Internet, allowing the analyst to cut and paste relevant details into spreadsheets for analysis. Significantly, some details may even appear before they are published in hard copy. Major companies also include the text of press releases on their sites. These may contain extra information not appearing in the versions that eventually are printed by the press. Hitherto, it was often difficult to obtain all a company's press releases.

The Internet is also providing other channels for obtaining competitor information — the majority at no cost. A number of leading newspapers now publish Internet versions of their paper, with full search facilities. UK examples include the *Times*, the *Daily Telegraph* and the *Financial Times*. The US patent office has made

available the full US patent file to searchers, giving patent information from the United States for free.

IBM's InfoMarket service (*http://www.infomkt.ibm.com/*) offers the competitor analyst the opportunity to obtain information on companies from a number of databases, both free and charged. Databases available include those from American Business Information, Disclosure, Information Access Company's PROMPT service, MEDLINE and several more.

The InfoMarket Service is one of several search engines on the Internet. A typical search for information on a company may turn up dozens of references. For example the search results in Table 1 were obtained using two common search engines: Lycos (*http://www.lycos.com/*) and DEC's Alta Vista search engine (*http://www.altavista.digital.com/*). Although the results are for a very small sample, they show the differences between the two search engines. Lycos tends to be less comprehensive but always ranks the search results based on the likely relevance of articles to the search. Selection on the relevance score is possible, allowing the elimination of poor matches. Lycos also ranks each word separately — the exact number of hits for combined terms is not given.

Table 1: Search results for two Internet search engines.

	Search Engine	
Company	**Lycos**	**Alta Vista**
Amstrad	875	2000
Associated British Engineering	0	3
BASF	1230	4000
Boosey & Hawkes	171 with Boosey 1263 with Hawkes	600
Bula Resources	1	11
Lada	11	400
Matra-Hachette 1275 with Matra	732 with Hachette	400
Rentokil	40	189
Yorkshire Tyne Tees Television	10	117

A problem with searching for information on major companies is the potential volume of data available, especially if Usenet sources are included. A high proportion may prove to be irrelevant, especially as it is not always easy to limit the search to particular types of article. For example the Lycos search for Bula Resources only resulted in a reference to an academic paper where one of the authors was called Bula. In contrast to this, the Matra-Hachette and Yorkshire Tyne-Tees Television searches both listed annual reports among the first 10 items.

The search on Amstrad captured a number of Amstrad user opinions on the product, including one user asking for advice on a problem with Amstrad equipment. Such information can give clues to where a company has produced a product with design faults or other manufacturing problems. For this reason, restricting searches to the World Wide Web alone may miss potentially interesting information — Usenet newsgroup mailings should also be included within searches if available. It is not, however, worthwhile directly trawling through the various newsgroups looking for competitor information. Even though there are a few Usenet business sites for specific industries — for example *misc.industry.pulp-and-paper* or *misc.industry.utilities.electric* — the content rarely justifies a regular search. Relevant information is more likely to occur on an occasional basis in a number of news groups, picked up by the search enginesas in the Amstrad example.

In addition to information on the Web there are a number of mailing lists for specific industries. These are often linked to specific Web pages found by searching for information on the chosen industry using search engines as described above. Some of these lists allow discussion between participants while others provide frequent news updates. Examples include a mailing list service from the Institution of Electrical Engineers (IEE), INSP-PRESS, giving news and press releases from the institution; a regular newsletter for the credit management industry which can be requested from *http://www.teleport.com/~richh/*; and a weekly newsletter on the Internet and Consumer Online service developments (obtainable by sending an e-mail message to *listserv@peach.ease.lsoft.com* with <SUBSCRIBE ONLINE-L firstname surname> as the message text).

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